

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

November 10, 1998

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. 21826 FILED

DEC 3 '98

12-29 AM

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Net Lease Agreement** dated as of March 6, 1997 between the following parties:

Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Parnum Paving, Inc. 4201 North State Street Ukiah, CA 95482

The equipment involved in this transaction is as follows:

Equipment:	Eighteen (18) railcars as more fully described in <u>Schedule A</u> to the memorandum.
------------	--

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (2)

RECORDATION NO. 21826 Filed

DEC 3 '98

12-29 PM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of March 6, 1997 and is intended to evidence that certain Net Lease Agreement dated as of March 6, 1997 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and PARNUM PAVING, INC., a California corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the thirty (30) railcars, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

HELM FINANCIAL CORPORATION

By: 

Print Name: Richard C. Kirchner

Its: President

LESSEE

PARNUM PAVING, INC.

By: 

Print Name: Robert W. McCraley
President

Its: _____

DM

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

GROUP A UNITS

Equipment Description:

Eighteen (18), 3,626 cubic foot, 100-ton capacity, three pocket, open top hopper railcars with 42/30 degree slope sheets; built by Greenville in 1971.

Unit Numbers:

HELX 10013	HELX 10051	HELX 10135
HELX 10015	HELX 10087	HELX 10141
HELX 10021	HELX 10092	HELX 10150
HELX 10025	HELX 10094	HELX 10167
HELX 10031	HELX 10108	HELX 10187
HELX 10049	HELX 10109	HELX 10192

GROUP B UNITS

Equipment Description:

Twelve (12), 3,400 cubic foot, 100-ton capacity, four pocket, open top hopper railcars.

Unit Numbers:

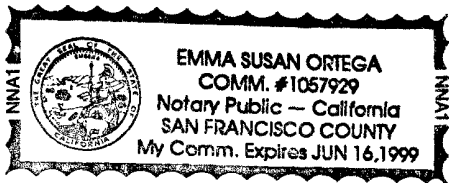
HATX 45157-45168

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On October 15, 1998, before me, Emma S. Ortega,
personally appeared Richard C. Kirchner, President of HELM FINANCIAL
CORPORATION,

☒ personally known to me -OR-

☐ proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Emma Susan Ortega
SIGNATURE OF THE NOTARY

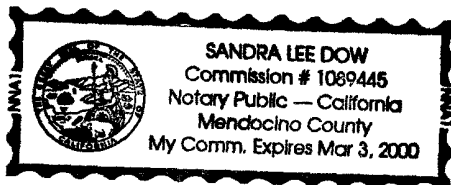
[Notarial Seal]

STATE OF CALIFORNIA)
) S.S.
COUNTY OF Mendocino)

On October 9, 1998, before me, Sandra Lee Dow, personally
appeared Robert W. McCraley President of PARNUM PAVING, INC.,

☒ personally known to me -OR-

☐ proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Sandra Lee Dow
SIGNATURE OF THE NOTARY

[Notarial Seal]